

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS

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ITV DIRECT, INC.,

Plaintiff,

v.

HEALTHY SOLUTIONS, LLC, ET. AL.,

Defendants.

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CAPPSEALS, INC.,

Plaintiff-in-  
Intervention

v.

HEALTHY SOLUTIONS, LLC., D/B/A  
DIRECT BUSINESS CONCEPTS; ITV  
DIRECT, INC. AND DIRECT  
FULFILLMENT, LLC.

Intervenor-  
Defendants.

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C. A. No. 04-CV10421-JLT  
(DEIN, J)

**CAPPSEALS, INC.'S REPLY TO THE ITV PARTIES'  
OPPOSITION TO CAPPSEALS' MOTION FOR SANCTIONS  
UNDER 28 U.S.C. § 1927 AND THE INHERENT POWERS OF THE COURT**

**EXHIBIT 1, PART 2**

Federal 1120S Depreciation Report  
Regular Tax

Activity ..... Form 1120S Line 21 - 2005

Total cost of goods sold .....

Description	In Service	Cost	Land	Bus %	Type	Class	Conv	Depr
Cost of Goods Sold	Disposed	Basis	Sec. 179	Listed	Mthd	Life	Year	Prior
ORGANIZATION COSTS	06/12/01	200.		100.00	AMORT		NA	40.
		200.				5.00	5	142.
COMPUTER EQUIPMENT	04/01/02	164,691.		100.00	MACRS	5	HY	13,281.
		115,284.			200DB	5.00	4	82,082.
OFFICE EQUIPMENT	04/01/02	153,163.		100.00	MACRS	5	HY	12,351.
		107,214.			200DB	5.00	4	76,336.
AUTOMOBILE	08/01/02	51,155.		90.00	MACRS	AUTO	HY	1,598.
		39,146.		X	200DB	5.00	4	7,065.
FURNITURE & FIXTURES	04/01/02	48,219.		100.00	MACRS	7	HY	4,217.
		33,753.			200DB	7.00	4	18,992.
LEASEHOLD IMPROVEMENTS	09/01/02	7,425.		100.00	MACRS	NR	MM	190.
		7,425.			SL	39.00	4	436.
AUTOMOBILE	03/01/02	27,160.		90.00	MACRS	AUTO	HY	1,598.
		17,550.		X	200DB	5.00	4	7,065.
SOFTWARE	06/01/03	65,041.		100.00	NP		NA	21,680.
		65,041.			SL	3.00	3	34,327.
WORKSTATIONS	02/19/03	31,712.		100.00	MACRS	5	HY	6,089.
		31,712.			200DB	5.00	3	16,490.
COMPUTERS	06/30/03	53,742.		100.00	MACRS	5	HY	10,318.
		53,742.			200DB	5.00	3	27,946.
TELEPHONE SYSTEM	06/30/03	53,565.		100.00	MACRS	7	HY	9,370.
		53,565.		X	200DB	7.00	3	20,770.
OFFICE EQUIPMENT	06/30/03	11,346.		100.00	MACRS	5	HY	2,178.
		11,346.			200DB	5.00	3	5,900.
FORKLIFT	06/30/03	19,439.		100.00	MACRS	7	HY	3,400.
		19,439.			200DB	7.00	3	7,538.
OFFICE FURNITURE	06/30/03	8,274.		100.00	MACRS	7	HY	1,447.
		8,274.			200DB	7.00	3	3,208.
COMPUTER EQUIPMENT	05/15/04	115,319.		100.00	MACRS	5	HY	2,983.
		9,323.	102,000.		200DB	5.00	2	1,865.
SOFTWARE	03/12/04	19,262.		100.00	MACRS	3	HY	5,993.
		13,483.			200DB	3.00	2	4,494.
OFFICE EQUIPMENT	06/30/04	6,105.		100.00	MACRS	7	HY	1,047.
		4,273.			200DB	7.00	2	610.
MACHINERY & EQUIPMENT	02/18/04	18,129.		100.00	MACRS	7	HY	3,108.
		12,690.			200DB	7.00	2	1,813.
FURNITURE AND FIXTURES	06/30/04	13,098.		100.00	MACRS	7	HY	2,245.
		9,169.			200DB	7.00	2	1,310.
TRUCK	08/27/04	57,719.		90.00	MACRS	5	HY	8,311.
		25,973.		X	200DB	5.00	2	5,195.
TELEPHONE EQUIPMENT	06/01/05	597,191.		100.00	MACRS	7	HY	85,313.
		597,191.			200DB	7.00	1	
COMPUTERS AND SOFTWARE	04/15/05	157,042.		100.00	MACRS	5	HY	31,408.
		157,042.			200DB	5.00	1	
WORKSTATIONS	05/15/05	42,477.		100.00	MACRS	7	HY	6,068.
		42,477.			200DB	7.00	1	
OFFICE EQUIPMENT	06/15/05	45,731.		100.00	MACRS	7	HY	6,533.
		45,731.			200DB	7.00	1	

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Federal 1120S Depreciation Report  
Regular Tax

Continued

Activity ..... Form 1120S Line 21 - 2005

Total cost of goods sold .....

Description	In Service	Cost	Land	Bus %	Type	Class	Conv	Depr
Cost of Goods Sold	Disposed	Basis	Sec. 179	Listed	Mthd	Life	Year	Prior
STUDIO EQUIPMENT	02/15/05	10,659.		100.00	MACRS	7	HY	1,523.
		10,659.			200DB	7.00	1	
STUDIO EQUIPMENT	06/15/05	63,538.		100.00	MACRS	7	HY	9,077.
		63,538.			200DB	7.00	1	
FURNITURE AND FIXTURES	06/05/05	58,761.		100.00	MACRS	7	HY	8,394.
		58,761.			200DB	7.00	1	
LEASEHOLD IMPROVEMENTS	06/30/05	535,432.		100.00	MACRS	NR	MM	7,437.
		535,432.			SL	39.00	1	
STUDIO EQUIPMENT	06/15/05	65,200.		100.00	MACRS	7	HY	12,171.
		85,200.			200DB	7.00	1	

Total		<u>2,520,795.</u>						<u>279,368.</u>
		<u>2,234,633.</u>						<u>323,584.</u>

Federal 1120S Depreciation Report  
Alternative Minimum Tax

Activity ..... Form 1120S Line 21 - 2005

Description	Real	Leased	AMT Cost	AMT Life	AMT Depr	AMT Adj
			AMT Basis	AMT Mthd	AMT Prior	AMT Pref
ORGANIZATION COSTS	<input type="checkbox"/>	<input type="checkbox"/>	200.			
COMPUTER EQUIPMENT	<input type="checkbox"/>	<input type="checkbox"/>	164,691.	5.00	13,281.	0.
			115,284.	200DB	82,082.	
OFFICE EQUIPMENT	<input type="checkbox"/>	<input type="checkbox"/>	153,163.	5.00	12,351.	0.
			107,214.	200DB	76,336.	
AUTOMOBILE	<input type="checkbox"/>	<input type="checkbox"/>	51,155.	5.00	1,598.	0.
			39,146.	200DB	7,065.	
FURNITURE & FIXTURES	<input type="checkbox"/>	<input type="checkbox"/>	48,219.	7.00	4,217.	0.
			33,753.	200DB	18,992.	
LEASEHOLD IMPROVEMENTS	<input type="checkbox"/>	<input type="checkbox"/>	7,425.	39.00	190.	0.
			7,425.	SL	436.	
AUTOMOBILE	<input type="checkbox"/>	<input type="checkbox"/>	27,160.	5.00	1,598.	0.
			17,550.	200DB	7,065.	
SOFTWARE	<input type="checkbox"/>	<input type="checkbox"/>	65,041.			
				SL		
WORKSTATIONS	<input type="checkbox"/>	<input type="checkbox"/>	31,712.	5.00	5,660.	429.
			31,712.	150DB	12,844.	
COMPUTERS	<input type="checkbox"/>	<input type="checkbox"/>	53,742.	5.00	9,593.	725.
			53,742.	150DB	21,765.	
TELEPHONE SYSTEM	<input type="checkbox"/>	<input type="checkbox"/>	53,565.	7.00	8,052.	1,318.
			53,565.	150DB	15,987.	
OFFICE EQUIPMENT	<input type="checkbox"/>	<input type="checkbox"/>	11,346.	5.00	2,025.	153.
			11,346.	150DB	4,595.	

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Federal 1120S Depreciation Report  
Alternative Minimum Tax

Continued

Activity ..... Form 1120S Line 21 - 2005

Description	Real	Leased	AMT Cost	AMT Life	AMT Depr	AMT Adj
			AMT Basis	AMT Mthd	AMT Prior	AMT Pref
FORKLIFT	<input type="checkbox"/>	<input type="checkbox"/>	19,439.	7.00	2,922.	478.
			19,439.	150DB	5,802.	
OFFICE FURNITURE	<input type="checkbox"/>	<input type="checkbox"/>	8,274.	7.00	1,244.	203.
			8,274.	150DB	2,469.	
COMPUTER EQUIPMENT	<input type="checkbox"/>	<input type="checkbox"/>	115,319.	5.00	2,983.	0.
			9,323.	200DB	1,865.	
SOFTWARE	<input type="checkbox"/>	<input type="checkbox"/>	19,262.	3.00	5,993.	0.
			13,483.	200DB	4,494.	
OFFICE EQUIPMENT	<input type="checkbox"/>	<input type="checkbox"/>	6,105.	7.00	1,047.	0.
			4,273.	200DB	610.	
MACHINERY & EQUIPMENT	<input type="checkbox"/>	<input type="checkbox"/>	18,129.	7.00	3,108.	0.
			12,690.	200DB	1,813.	
FURNITURE AND FIXTURES	<input type="checkbox"/>	<input type="checkbox"/>	13,098.	7.00	2,245.	0.
			9,169.	200DB	1,310.	
TRUCK	<input type="checkbox"/>	<input type="checkbox"/>	57,719.	5.00	8,311.	0.
			25,973.	200DB	5,195.	
TELEPHONE EQUIPMENT	<input type="checkbox"/>	<input type="checkbox"/>	597,191.	7.00	63,985.	21,328.
			597,191.	150DB		
COMPUTERS AND SOFTWARE	<input type="checkbox"/>	<input type="checkbox"/>	157,042.	5.00	23,556.	7,852.
			157,042.	150DB		
WORKSTATIONS	<input type="checkbox"/>	<input type="checkbox"/>	42,477.	7.00	4,551.	1,517.
			42,477.	150DB		
OFFICE EQUIPMENT	<input type="checkbox"/>	<input type="checkbox"/>	45,731.	7.00	4,900.	1,633.
			45,731.	150DB		
STUDIO EQUIPMENT	<input type="checkbox"/>	<input type="checkbox"/>	10,659.	7.00	1,142.	381.
			10,659.	150DB		
STUDIO EQUIPMENT	<input type="checkbox"/>	<input type="checkbox"/>	63,538.	7.00	6,808.	2,269.
			63,538.	150DB		
FURNITURE AND FIXTURES	<input type="checkbox"/>	<input type="checkbox"/>	58,761.	7.00	6,296.	2,098.
			58,761.	150DB		
LEASEHOLD IMPROVEMENTS	<input type="checkbox"/>	<input type="checkbox"/>	535,432.	39.00	7,437.	0.
			535,432.	SL		
STUDIO EQUIPMENT	<input type="checkbox"/>	<input type="checkbox"/>	85,200.	7.00	9,129.	3,042.
			85,200.	150DB		
Total			2,520,795.		214,222.	43,426.
			2,169,392.		270,725.	

Form 4562  
Special Depreciation Allowance Report

Activity: Form 1120S Line 21 - 2005

Description	In Service	AMT Cost	AMT Basis	AMT SDA	Cost	SDA Basis	SDA
ORGANIZATION COSTS	06/12/01	200.			200.		
COMPUTER EQUIPMENT	04/01/02	164,691.		49,407.	164,691.		49,407.
OFFICE EQUIPMENT	04/01/02	153,163.		45,949.	153,163.		45,949.
AUTOMOBILE	08/01/02	51,155.		6,894.	51,155.		6,894.
FURNITURE & FIXTURES	04/01/02	48,219.		14,466.	48,219.		14,466.

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Form 4562

Continued

## Special Depreciation Allowance Report

Activity: Form 1120S Line 21 - 2005

Description	In Service	AMT Cost	AMT Basis	AMT SDA	Cost	SDA Basis	SDA
LEASEHOLD IMPROVEMENTS	09/01/02	7,425.			7,425.		
AUTOMOBILE	03/01/02	27,160.		6,894.	27,160.		6,894.
SOFTWARE	06/01/03	65,041.			65,041.		
WORKSTATIONS	02/19/03	31,712.			31,712.		
COMPUTERS	06/30/03	53,742.			53,742.		
TELEPHONE SYSTEM	06/30/03	53,565.			53,565.		
OFFICE EQUIPMENT	06/30/03	11,346.			11,346.		
FORKLIFT	06/30/03	19,439.			19,439.		
OFFICE FURNITURE	06/30/03	8,274.			8,274.		
COMPUTER EQUIPMENT	05/15/04	115,319.		3,996.	115,319.		3,996.
SOFTWARE	03/12/04	19,262.		5,779.	19,262.		5,779.
OFFICE EQUIPMENT	06/30/04	6,105.		1,832.	6,105.		1,832.
MACHINERY & EQUIPMENT	02/18/04	18,129.		5,439.	18,129.		5,439.
FURNITURE AND FIXTURES	06/30/04	13,098.		3,929.	13,098.		3,929.
TRUCK	08/27/04	57,719.		25,974.	57,719.		25,974.
TELEPHONE EQUIPMENT	06/01/05	597,191.			597,191.		
COMPUTERS AND SOFTWARE	04/15/05	157,042.			157,042.		
WORKSTATIONS	05/15/05	42,477.			42,477.		
OFFICE EQUIPMENT	06/15/05	45,731.			45,731.		
STUDIO EQUIPMENT	02/15/05	10,659.			10,659.		
STUDIO EQUIPMENT	06/15/05	63,538.			63,538.		
FURNITURE AND FIXTURES	06/05/05	58,761.			58,761.		
LEASEHOLD IMPROVEMENTS	06/30/05	535,432.			535,432.		
STUDIO EQUIPMENT	06/15/05	85,200.			85,200.		
Total		<u>2,520,795.</u>		<u>170,559.</u>	<u>2,520,795.</u>		<u>170,559.</u>

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Form 1120S

## Two-Year Comparison

2005

► Keep for your records

Name of Corporation <b>DIRECT MARKETING CONCEPTS, INC.</b>				Employer Identification Number <b>04-3564332</b>		
Ordinary Income (Loss)	2005		2004		Difference 2005 - 2004	
	Amount	% of Total Income	Amount	% of Total Income	Amount	%
1 a Gross receipts or sales .....	49,009,637.		33,834,989.		15,174,648.	44.85
b Less returns and allowances .....						
c Net receipts .....	49,009,637.		33,834,989.		15,174,648.	44.85
2 Cost of goods sold (Schedule A) ..	31,306,508.		20,995,735.		10,310,773.	49.11
3 Gross profit .....	17,703,129.		12,839,254.		4,863,875.	37.88
4 Net gain or loss (Form 4797) .....						
5 Other income .....	13,235.		215.		13,020.	999.00
6 Total income (loss) .....	17,716,364.	100.00	12,839,469.	100.00	4,876,895.	37.98
<b>Deductions</b>						
7 Compensation of officers .....	1,418,870.	8.01	1,024,000.	7.98	394,870.	38.56
8 Salaries and wages (less employment credits) .....	7,351,650.	41.50	4,807,583.	37.44	2,544,067.	52.92
9 Repairs and maintenance .....	209,299.	1.18	14,895.	0.12	194,404.	999.00
10 Bad debts .....		0.00		0.00		
11 Rents .....	1,031,908.	5.82	498,925.	3.89	532,983.	106.83
12 Taxes and licenses .....	803,295.	4.53	692,206.	5.39	111,089.	16.05
13 Interest .....	36,310.	0.20	50,306.	0.39	-13,996.	-27.82
14 a Depreciation (Form 4562) .....	279,328.	1.58	188,921.	1.47	90,407.	47.85
b Depreciation on Schedule A and elsewhere .....		0.00		0.00		
c Net depreciation .....	279,328.	1.58	188,921.	1.47	90,407.	47.85
15 Depletion (not oil and gas) .....		0.00		0.00		
16 Advertising .....	17,401.	0.10	37,826.	0.29	-20,425.	-54.00
17 Pension, profit-sharing, etc, plans .....	54,682.	0.31	37,017.	0.29	17,665.	47.72
18 Employee benefit programs .....	397,547.	2.24	307,253.	2.39	90,294.	29.39
19 Other deductions .....	5,978,572.	33.75	3,847,355.	29.97	2,131,217.	55.39
20 Total deductions .....	17,578,862.	99.22	11,506,287.	89.62	6,072,575.	52.78
21 Ordinary income (loss) from trade/business .....	137,502.	0.78	1,333,182.	10.38	-1,195,680.	-89.69
<b>Tax</b>						
22 a Excess net passive income tax ...		0.00		0.00		
b Tax from Schedule D .....		0.00		0.00		
Additional taxes .....		0.00		0.00		
c Total tax .....		0.00		0.00		
<b>Tax Payments and Credits</b>						
23 d Total payments and credits .....	0.	0.00		0.00	0.	
24 Estimated tax penalty .....		0.00		0.00		
25 Tax due .....	0.	0.00	0.	0.00	0.	
26 Overpayment .....	0.	0.00		0.00	0.	
<b>Schedule K Items:</b>						
<b>Income (Loss)</b>	2005		2004		Difference 2005 - 2004	
					Amount	%
1 Ordinary business income (loss) .....	137,502.		1,333,182.		-1,195,680.	-89.69
2 Net rental real estate income (loss) .....						
3 Other net rental income (loss) .....						
4 Interest income .....						
5 a Dividends — ordinary .....						
b Dividends — qualified .....						
6 Royalty income .....						
7 Net short-term capital gain (loss) .....						
8 Net long-term capital gain (loss) .....						
9 Net gain (loss) under section 1231 .....						
10 Other income (loss) .....						

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DIRECT MARKETING CONCEPTS, INC.

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**Schedule K Items (continued):**

Deductions	2005	2004	Difference 2005 - 2004	
			Amount	%
11 Section 179 expense deduction .....		102,000.	-102,000.	-100.00
12 a Charitable contributions .....	2,356.	3,165.	-809.	-25.56
b Interest expense on investment debts .....				
c Section 59(e)(2) expenditures .....				
d Other deductions .....				

**Credits and Credit Recapture**

13 a Low-income housing credit (section 42(j)(5)) .....				
b Low-income housing credit (other) .....				
c Qualified rehabilitation expenditures (rental real estate) ..				
d Other rental real estate credits .....				
e Other rental credits .....				
f Credit for alcohol used as fuel .....				
g Other credits and credit recapture .....		0.	0.	

**Foreign Taxes**

14 b Gross income from all sources .....				
c Gross income sourced at shareholder level .....				
<i>Foreign gross income sourced at corporate level:</i>				
d Passive .....				
e Listed categories .....				
f General limitation .....				
<i>Deductions allocated and apportioned at shareholder level:</i>				
g Interest expense .....				
h Other .....				
<i>Deductions allocated and apportioned at corporate level to foreign source income:</i>				
i Passive .....				
j Listed categories .....				
k General limitation .....				
l Foreign taxes paid or accrued .....				
m Reduction in taxes available for credit .....				

**Alternative Minimum Tax (AMT) Items**

15 a Post-1986 depreciation adjustment .....	43,426.	10,648.	32,778.	307.83
b Adjusted gain or loss .....				
c Depletion (other than oil and gas) .....				
d Oil, gas, and geothermal properties — gross income .....				
e Oil, gas, and geothermal properties — deductions .....				
f Other AMT items .....				

**Items Affecting Shareholder Basis**

16 a Tax-exempt interest income .....				
b Other tax-exempt income .....				
c Nondeductible expenses .....	33,360.	19,613.	13,747.	70.09
d Property distributions .....	29,812.	1,388,653.	-1,358,841.	-97.85
e Repayment of loans from shareholders .....		126,200.	-126,200.	-100.00

**Other Information**

17 a Investment income .....				
b Investment expenses .....				
c Dividend distributions paid from E & P .....	0.	0.	0.	
d Income (loss) .....	135,146.	1,228,017.	-1,092,871.	-88.99

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Form 1120S

**S Corporation  
Five Year Tax History****2005**

► Keep for your records

Name DIRECT MARKETING CONCEPTS, INC.					Employer Identification Number 04-3564332
	2001	2002	2003	2004	2005
1 Gross receipts .....	50,244.	300,000.	34,339,311.	33,834,989.	49,009,637.
2 Cost of sales .....	11,898.		24,158,336.	20,995,735.	31,306,508.
3 Gross profit .....	38,346.	300,000.	10,180,975.	12,839,254.	17,703,129.
4 Net 4797 gain (loss)					
5 Other income (loss)				215.	13,235.
6 Total income (loss)	38,346.	300,000.	10,180,975.	12,839,469.	17,716,364.
7 Salaries .....	0.		4,691,116.	4,807,583.	7,351,650.
8 Depreciation .....		172,988.	132,092.	188,921.	279,328.
9 Other deductions ..	26,483.	40.	4,338,682.	6,509,783.	9,947,884.
10 Business income ..	11,863.	126,972.	1,019,085.	1,333,182.	137,502.
11 Passive investment income .....					
12 Passive investment expense .....					
13 Net passive investment income					
14 Excess net passive income tax .....					
15 Tax from Schedule D .....					
16 Additional taxes ...					
17 Tax liability .....					

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Form 1120S

## Financial Statement Ratio Analysis

2005

► Keep for your records

Name of Corporation <b>DIRECT MARKETING CONCEPTS, INC.</b>		Employer Identification Number <b>04-3564332</b>	
	<b>2005</b>	<b>2004</b>	<b>U.S. Average</b>

## Liquidity Ratios

<b>1 Current Ratio</b> .....	<b>0.4</b>	<b>0.7</b>	
Current Assets/Current Liabilities. Measures ability of the business to meet its current liabilities.			
<b>2 Acid Test (Quick Ratio)</b> .....	<b>0.1</b>	<b>0.1</b>	
Quick Assets/Current Liabilities. Measures liquidity (conservative estimate). Eliminates assets not readily converted to cash.			

## Profitability Ratios

<b>3 Return on Total Assets (ROA)</b> .....	<b>2.9</b>	<b>41.5</b>	
Net Income/Total Assets. Measures how effective business assets are used to produce profit. Prior year amount: Net income .....			
<b>4 Return on Equity (ROE)</b> .....	<b>109.7</b>	<b>5,811.6</b>	
Net Income/Equity. Measures the earning power of the business.			

## Leverage Ratios

<b>5 Total Liabilities to Equity</b> .....	<b>3,730.4</b>	<b>13,899.7</b>	
Total Liabilities/Equity. Measures the relationship between all creditors and owners.			
<b>6 Fixed Assets to Long-Term Liabilities</b> .....	<b>746.4</b>	<b>1,011.6</b>	
Fixed Assets/Long-Term Liabilities. Measures equity and relative ability to increase borrowing.			

## Activity Ratios

<b>7 Inventory Turnover</b> .....	<b>38.8</b>	<b>22.7</b>	
Net Sales/Average Inventory. Measures how long the current inventory will be in stock and how soon it will be turned into sales. Prior year amounts: Beginning inventory .....			
<b>8 Depreciation to Property Plant and Equipment</b> .....	<b>11.1</b>	<b>20.4</b>	
Depreciation Expense/PPE. Measures reasonableness and consistency of depreciation over time. Prior year amount: Depreciation expense .....			

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**Electronic Filing Information Worksheet**

► Keep for your records

**2005**

Name(s) shown on return

DIRECT MARKETING CONCEPTS, INC.

Identifying number

04-3564332**Part I – Electronic Return Originator Information**

The ERO Information below will automatically calculate based on the preparer code entered on the return. If the ERO is not the same as the preparer designated on the return, enter a Preparer Code from the Firm/Preparer Info to assign an ERO to this return.

Check to use ERO name instead of firm name in electronic file ..... ☐

Firm Name

LEO H. BONARRIGO CPA

Social Security Number or PTIN

P43183937

Name

Leo H. Bonarrigo, CPA

Employer Identification Number

04-3183937

Address

268 SUMMER STREET, 6TH FLOOR

Phone Number

(617) 946-2562

Fax Number

(617) 946-2561

City

BOSTON

State

MA

ZIP Code

02210

Electronic Filers Identification Number (EFIN)

042512

Country

E-mail Address

leo@bongotax.com

Enter a Preparer Code from the Firm/Preparer Info to assign a different ERO to this return. (See Help) \_\_\_\_\_

**Part II – Paid Preparer Information**

Firm Name

LEO H. BONARRIGO CPA

Social Security Number or PTIN

P43183937

Name

Leo H. Bonarrigo, CPA

Employer Identification Number

04-3183937

Address

268 SUMMER STREET, 6TH FLOOR

Phone Number

(617) 946-2562

Fax Number

(617) 946-2561

City

BOSTON

State

MA

ZIP Code

02210

Country

E-mail Address

leo@bongotax.com

If your firm is **ONLY** the ERO and the return being transmitted was not prepared by your firm, enter a preparer code from the Alternative EF Preparer Information to assign a paid preparer. (See Help) ... ► \_\_\_\_\_

cpv1701.SCR 12/06/05

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DMC 05526

Form 1120S, Page 1, Line 5

**Other Income (Loss)**

OTHER INCOME	13,235.
Total	13,235.

Form 1120S, Page 1, Line 19

**Other Deductions**

AMORTIZATION	40.
AUTOMOBILE AND TRUCK EXPENSE	30,864.
DUES AND SUBSCRIPTIONS	90,444.
EQUIPMENT RENT	47,515.
GIFTS	14,724.
INSURANCE	43,157.
LEGAL AND PROFESSIONAL	1,238,600.
MEALS AND ENTERTAINMENT (50%)	23,340.
OFFICE EXPENSE	223,656.
TRAVEL	315,297.
CALL CENTER PHONES AND T1'S	472,733.
INFORMATION TECHNOLOGY EXPENSES	210,168.
INFOMERCIAL PRODUCTION COSTS	334,363.
RUBBISH REMOVAL	10,682.
STORAGE	19,093.
LANDSCAPING AND SNOW REMOVAL	4,440.
CREDIT CARD PROCESSING AND DISCOUNTS	1,350,075.
ROYALTIES	843,780.
STAFFING AND LICENSING	643,984.
SALES INCENTIVES	4,361.
MOVING EXPENSE	16,256.
MEDIA PLACEMENT	41,000.
Total	5,978,572.

Other Current Assets:

1120S, Schedule L, Line 6

Other Current Assets:	Beginning of tax year	End of tax year
EMPLOYEE ADVANCES	0.	25,000.
Total	0.	25,000.

Other Assets:

1120S, Schedule L, Line 14

Other Assets:	Beginning of tax year	End of tax year
DEPOSITS AND INTANGIBLE ASSETS	557,894.	640,768.
Total	557,894.	640,768.

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DMC 05527

Other Current Liabilities:  
1120S, Schedule L, Line 18

Other Current Liabilities:	Beginning of tax year	End of tax year
MASSACHUSETTS CORPORATE EXCISE TAX	62,906.	11,229.
Total	<u>62,906.</u>	<u>11,229.</u>

Form 1120S, Page 4, Schedule M-1, Line 3  
Sch M-1, Line 3

FINES AND PENALTIES	<u>10,021.</u>
Total	<u>10,021.</u>

Form 1120S, Page 4, Schedule M-2, Line 5  
Schedule M-2, Other Reductions

CHARITABLE CONTRIBUTIONS	<u>2,356.</u>	
MEALS AND ENTERTAINMENT	<u>23,339.</u>	
FINES AND PENALTIES	<u>10,021.</u>	
Total	<u>35,716.</u>	

Form 4562, line 26  
Additional Listed Property Statement

(a) Type of property	(b) Date placed in service	(c) Business/ investmt use %	(d) Cost or other basis	(e) Basis for deprecia- tion	(f) Re- covery period	(g) Method/ Con- vention	(h) Deprecia- tion deduction	(i) Elected section 179 cost
TRUCK	08/27/04	90.00	57,719.	25,973.	5.00	200DB/HY	8,311.	
TELEPHONE SYSTEM	06/30/03	100.00	53,565.	53,565.	7.00	200DB/HY	9,370.	
Total							<u>17,681.</u>	

Schedule K Reconciliation  
Pro rata share items

Lines 1 thru 16d

Shareholder	-1- Ordinary Income	-12a- Charit. Contrib.	-15a- Deprec. Adjust.	-16c- Non-ded. Expenses	-16d- Distrib.
ROBERT A. MAIHOS (50.00%)	68,751	1,178	21,713	16,680	14,906
DONALD W. BARRETT, JR. (50.00%)	68,751	1,178	21,713	16,680	14,906
Total	<u>137,502</u>	<u>2,356</u>	<u>43,426</u>	<u>33,360</u>	<u>29,812</u>

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DMC 05528

Schedule K Reconciliation  
Pro rata share items

Line 17e

Shareholder	-17e-				
	Total				
	Income				
ROBERT A. MAIHOS (50.00%)	67,573				
DONALD W. BARRETT, JR. (50.00%)	67,573				
Total	<u>135,146</u>				

Shareholders' Basis Report - 2005  
Stock and Loan Basis

Shareholder..... ROBERT A. MAIHOS ID No. 013-44-7291

Basis Type	Beginning Balance	Increases	Decreases	Distributions	Ending Balance
Stock .....	0.	68,751.	53,845.	14,906.	0.
Loan .....	0.				0.
Total .....	0.	68,751.	53,845.	14,906.	0.

Shareholder..... DONALD W. BARRETT, JR. ID No. 029-54-7612

Basis Type	Beginning Balance	Increases	Decreases	Distributions	Ending Balance
Stock .....	288,576.	68,751.	17,858.	14,906.	324,563.
Loan .....	0.				0.
Total .....	288,576.	68,751.	17,858.	14,906.	324,563.

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DMC 05529



September 15, 2006

ROBERT A. MAIHOS  
115 MILL STREET  
MIDDLETON, MA 01949-1998

Dear ROBERT A. MAIHOS,

Enclosed is your 2005 Schedule K-1 (Form 1120S), Shareholder's Share of Income, Credits, Deductions, etc., which has been filed with the 2005 Form 1120S U.S. Income Tax Return for an S Corporation for DIRECT MARKETING CONCEPTS, INC..

The amounts reported to you on lines 1-17 of the Schedule K-1 (Form 1120S), Shareholder's Share of Income, Credits, Deductions, etc., represent your share of income, credits, deductions, and other information to be reported on the appropriate lines of your tax return. The IRS uses codes on some lines of the Schedule K-1 to identify the item and provide reporting information. These codes are identified on page 2 of the K-1.

Enclosed is your 2005 Massachusetts Schedule SK-1 (Form 355S), which has been filed with the 2005 Form 355S Massachusetts S Corporation Excise of DIRECT MARKETING CONCEPTS, INC..

Should you have any questions regarding this information, please do not hesitate to call.

Sincerely,

DIRECT MARKETING CONCEPTS, INC.  
55 CHERRY HILL DRIVE  
BEVERLY, MA 01915-1068

CONFIDENTIAL

DMC 05530

September 15, 2006

DONALD W. BARRETT, JR.  
9 TALL TREE DRIVE  
BEVERLY, MA 01915

Dear DONALD W. BARRETT, JR.,

Enclosed is your 2005 Schedule K-1 (Form 1120S), Shareholder's Share of Income, Credits, Deductions, etc., which has been filed with the 2005 Form 1120S U.S. Income Tax Return for an S Corporation for DIRECT MARKETING CONCEPTS, INC..

The amounts reported to you on lines 1-17 of the Schedule K-1 (Form 1120S), Shareholder's Share of Income, Credits, Deductions, etc., represent your share of income, credits, deductions, and other information to be reported on the appropriate lines of your tax return. The IRS uses codes on some lines of the Schedule K-1 to identify the item and provide reporting information. These codes are identified on page 2 of the K-1.

Enclosed is your 2005 Massachusetts Schedule SK-1 (Form 355S), which has been filed with the 2005 Form 355S Massachusetts S Corporation Excise of DIRECT MARKETING CONCEPTS, INC..

Should you have any questions regarding this information, please do not hesitate to call.

Sincerely,

DIRECT MARKETING CONCEPTS, INC.  
55 CHERRY HILL DRIVE  
BEVERLY, MA 01915-1068

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DMC 05531

DF

## The Commonwealth of Massachusetts

William Francis Galvin  
Secretary of the Commonwealth  
One Ashburton Place, Boston, Massachusetts 02108-1512

Filing Fee: \$125.00

Late Fee: \$25.00

FORM MUST BE TYPED

Annual Report for Domestic  
and Foreign Corporations

(General Laws Chapter 156D Section 16.22; 950 CMR 113.57)

- 1 Exact name of the corporation: DIRECT MARKETING CONCEPTS, INC.
- 2 Jurisdiction of incorporation: MASSACHUSETTS
- 3 Street address of the corporation's registered office in the commonwealth:  
55 CHERRY HILL DRIVE  
BEVERLY MA 01915-1068  
(number, street, city or town, state, zip code)
- 4 Name of the registered agent at the registered office: ROBERT A. MAIHOS
- 5 Street address of the corporation's principal office:  
55 CHERRY HILL DRIVE  
BEVERLY MA 01915-1068  
(number, street, city or town, state, zip code)
- 6 Provide the names and addresses of the corporation's board of directors and its president, treasurer, secretary, and if different, its chief executive officer and chief financial officer.

	NAME	ADDRESS
President:	<u>DONALD W. BARRETT</u>	<u>9 TALL TREE DRIVE</u> <u>BEVERLY</u> <u>MA 01915</u>
Treasurer:	<u>ROBERT A. MAIHOS</u>	<u>7 TALL TREE DRIVE</u> <u>BEVERLY</u> <u>MA 01915</u>
Secretary:	<u>ROBERT A. MAIHOS</u>	<u>7 TALL TREE DRIVE</u> <u>BEVERLY</u> <u>MA 01915</u>
Chief Executive Officer:	<u>DONALD W. BARRETT</u>	<u>9 TALL TREE DRIVE</u> <u>BEVERLY</u> <u>MA 01915</u>
Chief Financial Officer:	<u>ROBERT A. MAIHOS</u>	<u>7 TALL TREE DRIVE</u> <u>BEVERLY</u> <u>MA 01915</u>
Directors:	<u>ROBERT A. MAIHOS</u>	<u>7 TALL TREE DRIVE</u> <u>BEVERLY</u> <u>MA 01915</u>
	<u>DONALD W. BARRETT, JR.</u>	<u>9 TALL TREE DRIVE</u> <u>BEVERLY</u> <u>MA 01915</u>

- 7 Briefly describe the business of the corporation: INFOMERCIAL PRODUCTION AND SALES

## 8-9 Capital stock of each class and series:

CLASS OF STOCK	TOTAL AUTHORIZED BY ARTICLES OF ORGANIZATION OR AMENDMENTS Number of Shares	TOTAL ISSUED AND OUTSTANDING Number of Shares
COMMON	200,000	200
PREFERRED		

- 10 Check if the stock of the corporation is publicly traded. ☐

- 11 Report is filed for fiscal year ending: 12/31/05

(month, day, year)

Signed by: \_\_\_\_\_

☐ Chairman of the board of directors☐ President☒ Other officer☐ Court-appointed fiduciaryon this 15TH day of SEPTEMBER, 2006

MACZ1701 10/31/05

01/13/05

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DMC 05532

Cut Along this Dotted Line

88-12-00018 <b>355-ES</b>		<b>Corporation Estimated Tax Payment Voucher – 2006</b>		<b>Voucher 1</b>	
Massachusetts Department of Revenue		For calendar year 2006 or other taxable year beginning in 2006			
Federal Identification number	Be sure this return covers correct period	Taxable year	Due date	Fill out a and b, only if amending or making first payment.	
04-3564332		12/31/06	03/15/06		
CUT ALONG THIS DOTTED LINE → If not correct, please see instructions	DIRECT MARKETING CONCEPTS, INC. 55 CHERRY HILL DRIVE BEVERLY MA 01915-1068  043564332DIR551126167			a Total tax for prior year.	b Overpayment from last year credited to estimated tax for this year.
				\$ 11,229.	\$ 30,000.
				c Estimated tax for the year ending:	
				12/31/06	
				MONTH DAY YEAR	
			\$ 24,700.		
			1 Amount of this installment (.40 times estimated tax)* .....	\$ 9,900.	
			2 Amount of unused overpayment credit, if any, applied to this installment (see instructions) .....	\$ 9,900.	
			3 Amount due with this installment ...	\$ 0.	
Make check or money order payable to: Commonwealth of Massachusetts.		Check appropriate box: <input checked="" type="checkbox"/> Domestic corp (0167) <input type="checkbox"/> Foreign corp (0163) <input type="checkbox"/> Other		*New corporations in their first full taxable year with less than 10 employees have lower percentages: 30/25/25/20%; 55/25/20%; and 80/20%.  MAC20212 01/05/06	
Mail to: Massachusetts Department of Revenue, P.O. Box 7046, Boston, MA 02204.					

Cut Along this Dotted Line

Cut Along this Dotted Line

88-12-00018 <b>355-ES</b>		<b>Corporation Estimated Tax Payment Voucher – 2006</b>		<b>Voucher 2</b>	
Massachusetts Department of Revenue		For calendar year 2006 or other taxable year beginning in 2006			
Federal Identification number	Be sure this return covers correct period	Taxable year	Due date	Fill out a and b, only if amending or making first payment.	
04-3564332		12/31/06	06/15/06		
CUT ALONG THIS DOTTED LINE → If not correct, please see instructions	DIRECT MARKETING CONCEPTS, INC. 55 CHERRY HILL DRIVE BEVERLY MA 01915-1068  043564332DIR552126167			a Total tax for prior year.	b Overpayment from last year credited to estimated tax for this year.
				\$ 11,229.	\$ 30,000.
				c Estimated tax for the year ending:	
				12/31/06	
				MONTH DAY YEAR	
			\$ 24,700.		
			1 Amount of this installment (.25 times estimated tax)* .....	\$ 6,200.	
			2 Amount of unused overpayment credit, if any, applied to this installment (see instructions) .....	\$ 6,200.	
			3 Amount due with this installment ...	\$ 0.	
Make check or money order payable to: Commonwealth of Massachusetts.		Check appropriate box: <input checked="" type="checkbox"/> Domestic corp (0167) <input type="checkbox"/> Foreign corp (0168) <input type="checkbox"/> Other		*New corporations in their first full taxable year with less than 10 employees have lower percentages: 30/25/25/20%; 55/25/20%; and 80/20%.  MAC20212 01/05/06	
Mail to: Massachusetts Department of Revenue, P.O. Box 7046, Boston, MA 02204.					

Cut Along this Dotted Line

DMC 05533

CONFIDENTIAL

Cut Along this Dotted Line

88-12-00018		<b>355-ES</b>		<b>Corporation Estimated Tax Payment Voucher – 2006</b>		<b>Voucher 3</b>	
Massachusetts Department of Revenue		For calendar year 2006 or other taxable year beginning in 2006					
Federal Identification number	Be sure this return covers correct period	Taxable year	Due date	Fill out a and b, only if amending or making first payment.			
04-3564332		12/31/06	09/15/06				
If not correct, please see instructions → DIRECT MARKETING CONCEPTS, INC. 55 CHERRY HILL DRIVE BEVERLY MA 01915-1068  043564332DIR553126167	a Total tax for prior year.		b Overpayment from last year credited to estimated tax for this year.				
	\$ 11,229.		\$ 30,000.				
	c Estimated tax for the year ending:						
	12/31/06						
	MONTH DAY YEAR		\$ 24,700.				
1 Amount of this installment (.25 times estimated tax)*		\$ 6,200.					
2 Amount of unused overpayment credit, if any, applied to this installment (see instructions)		\$ 6,200.					
3 Amount due with this installment		\$ 0.					
Make check or money order payable to: Commonwealth of Massachusetts.  Mail to: Massachusetts Department of Revenue, P.O. Box 7046, Boston, MA 02204.		Check appropriate box: <input checked="" type="checkbox"/> Domestic corp (0167) <input type="checkbox"/> Foreign corp (0168) <input type="checkbox"/> Other		*New corporations in their first full taxable year with less than 10 employees have lower percentages: 30/25/25/20%; 55/25/20%; and 80/20%. MACZ0212 01/05/06			

Cut Along this Dotted Line

Cut Along this Dotted Line

88-12-00018		<b>355-ES</b>		<b>Corporation Estimated Tax Payment Voucher – 2006</b>		<b>Voucher 4</b>	
Massachusetts Department of Revenue		For calendar year 2006 or other taxable year beginning in 2006					
Federal Identification number	Be sure this return covers correct period	Taxable year	Due date	Fill out a and b, only if amending or making first payment.			
04-3564332		12/31/06	12/15/06				
If not correct, please see instructions → DIRECT MARKETING CONCEPTS, INC. 55 CHERRY HILL DRIVE BEVERLY MA 01915-1068  043564332DIR554126167	a Total tax for prior year.		b Overpayment from last year credited to estimated tax for this year.				
	\$ 11,229.		\$ 30,000.				
	c Estimated tax for the year ending:						
	12/31/06						
	MONTH DAY YEAR		\$ 24,700.				
1 Amount of this installment (.10 times estimated tax)*		\$ 2,500.					
2 Amount of unused overpayment credit, if any, applied to this installment (see instructions)		\$ 2,500.					
3 Amount due with this installment		\$ 0.					
Make check or money order payable to: Commonwealth of Massachusetts.  Mail to: Massachusetts Department of Revenue, P.O. Box 7046, Boston, MA 02204.		Check appropriate box: <input checked="" type="checkbox"/> Domestic corp (0167) <input type="checkbox"/> Foreign corp (0168) <input type="checkbox"/> Other		*New corporations in their first full taxable year with less than 10 employees have lower percentages: 30/25/25/20%; 55/25/20%; and 80/20%. MACZ0212 01/05/06			

Cut Along this Dotted Line

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DMC 05534



88-12-00018

DIRECT MARKETING CONCEPTS, INC.

04-3564332

**Corporation Estimated Tax Worksheet**

a Total tax for prior year

b Overpayment from last year to be credited  
to estimated tax for this yearc Estimated tax for the year ending 12/31/06  
(date)

\$ 11,229.

30,000.

\$ 24,700.

If you first meet the requirements for making estimated payments in the taxable year, use the **Amended Estimated Tax Payment Schedule** below.

1 Amount of each installment. Enter 40% of item c for installment 1. For 2nd, 3rd and 4th installments use 25%, 25% and 10% of item c, respectively. **Note:** Corporations in their first full taxable year with 1 - 9 employees should use 30%, 25%, 25% and 20% respectively .....

2 Enter amount of overpayment from last year applied to an installment, if any .....

3 Amount due. Subtract line 2 from line 1 .....

	1st installment	2nd installment	3rd installment	4th installment
1	\$ 9,900.	\$ 6,200.	\$ 6,200.	\$ 2,500.
2	\$ 9,900.	\$ 6,200.	\$ 6,200.	\$ 2,500.
3	\$ 0.	\$ 0.	\$ 0.	\$ 0.

**Amended Estimated Tax Payment Schedule**

1 Enter total tax for prior year, if any .....

2 Enter overpayment from last year, if any, to be credited to estimated tax this year .....

3 Enter recomputed Estimated Tax for 2006, if amending. (Enter estimated tax for 2006 if first meeting the requirement for making estimated payments in the 2nd, 3rd or 4th quarter.) .....

a If amending your estimated tax in the 2nd, 3rd or 4th quarter, multiply line 3 by the appropriate installment percentage amount, then subtract previous amounts paid and overpayments applied to date, if any .....

1 \$

2 \$

3 \$

a \$

Enter the item a amount in the proper column of line 1 in the Estimated Tax Worksheet (above) and adjust or complete the remaining applicable items.

**2006 Record of Estimated Tax Payments**

Voucher number	a. Date	b. Amount paid	c. 2005 overpayment credit applied to installment	Total amount paid and credited through the installment date shown. Add b and c
1	03/15/06	0.	9,900.	9,900.
2	06/15/06	0.	6,200.	6,200.
3	09/15/06	0.	6,200.	6,200.
4	12/15/06	0.	2,500.	2,500.
<b>Total</b> .....		0.	24,800.	24,800.

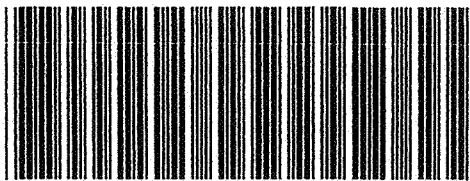
Please submit the vouchers, with your payments, when due. Make all checks payable to: **Commonwealth of Massachusetts.**

An additional charge is imposed by law on any underpayment of estimated tax. In addition to the above, corporations may be subject to a fine of up to \$100,000 for willful failure to pay an estimated tax and a fine of up to \$500,000 and/or imprisonment up to five years for willful evasion of taxes.

If forms are lost, contact the Massachusetts Department of Revenue, Customer Service Bureau, P.O. Box 7010, Boston, MA 02204. Telephone: (617) 887-MDOR, or toll-free in-state 1-800-392-6089.

**Practitioners:** You must obtain prior approval if you plan to use substitute vouchers.

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**2005 Form 355S** MA0534711030  
S Corporation Excise Return

Year  
beginning

End

DIRECT MARKETING CONCEPTS, INC. 04-3564332

55 CHERRY HILL DRIVE BEVERLY

55 CHERRY HILL DRIVE BEVERLY

MA 019151068

MA 019151068

- |    |  |                          |   |     |    |          |
|----|--|--------------------------|---|-----|----|----------|
| 1  | Is the corporation incorporated within Massachusetts?                                  | ▶                        | X | Yes | No |          |
| 2  | Type of corporation ▶  | Section 38 manufacturer  |   |     |    |          |
|    |  | Mutual fund service      |   |     |    |          |
| 3  | Type of corporation ▶  | R&D                      |   |     |    |          |
|    |  | Classified manufacturing |   |     |    |          |
|    |  | RIC                      |   |     |    |          |
| 4  | Is the corporation a qualified S corporation subsidiary?                               | ▶                        |   | Yes | X  | No       |
| 5  | Is the corporation the parent of another corporation?                                  | ▶                        |   | Yes | X  | No       |
| 6  | Is the corporation an insurance mutual fund holding corporation?                       | ▶                        |   | Yes | X  | No       |
| 7  | Is the corporation requesting alternate apportionment?                                 | ▶                        |   | Yes | X  | No       |
| 8  | Is this a final Massachusetts return?  | ▶                        |   | Yes | X  | No       |
| 9  | Principal business code  | ▶                        |   | 9   |    | 512100   |
| 10 | FID of parent corporation, if filing a consolidated federal return                     | ▶                        |   | 10  |    |          |
| 11 | Average number of employees in Massachusetts   |                          |   | 11  |    | 485      |
| 12 | Average number of employees worldwide  |                          |   | 12  |    | 485      |
| 13 | Date of charter or first date of business in Massachusetts                             |                          |   | 13  |    | 06122001 |
| 14 | Last year audited by IRS   | ▶                        |   | 14  |    |          |
| 15 | Have adjustments been reported to Massachusetts?                                       |                          |   | Yes | No |          |
| 16 | Is the corporation deducting intangible or interest expenses paid to a related entity? | ▶                        |   | Yes | X  | No       |

**Excise Calculation**

- |   |   |   |         |           |   |   |      |
|---|---|---|---------|-----------|---|---|------|
| 1 | Taxable Massachusetts tangible property, if applicable  | ▶ | 1938918 | x .0026 = | ▶ | 1 | 5041 |
| 2 | Taxable net worth, if applicable                        | ▶ |         | x .0026 = | ▶ | 2 | 0    |
| 3 | Qualifying taxable income and passive investment income | ▶ |         | x .095 =  | ▶ | 3 |      |

**SIGN HERE.** Under penalties of perjury, I declare that to the best of my knowledge and belief this return and enclosures are true, correct and complete.

Signature of appropriate officer

Date

09152006

Print paid preparer's name

Paid preparer's SSN or PTIN

P43183937

Title

TREASURER

Paid preparer's phone

(617) 946-2562

Paid preparer's EIN

04-3183937

Are you signing as an authorized delegate of the appropriate officer of the corporation?

(see instructions)

Yes X No

Paid preparer's signature

Date

Check if self-employed

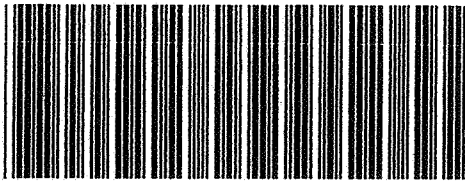
09152006 X

LEO H. BONARRIGO CPA  
268 SUMMER STREET 6TH FLOOR  
BOSTON

MA 02210

PRIVACY ACT NOTICE AVAILABLE UPON REQUEST

CONFIDENTIAL

**2005 Form 355S, page 2**

MA0534721030

S Corporation Excise Return

04-3564332

DIRECT MARKETING CONCEPTS, INC.

4	Income	▶ 4	49022872
5	Income taxable in Massachusetts	▶ 5	137502
6	If line 4 is less than \$6 million, enter '0.' If line 4 is \$6 million or more, but less than \$9 million, multiply line 5 by .03. If line 4 is \$9 million or more, multiply line 5 by .045	6	6188
7	Credit recapture	▶ 7	
8	Excise before credits	8	11229
9	Economic Opportunity Area Credit	▶ 9	
10	3% credit for certain new or expanded investments	▶ 10	
11	Vanpool Credit	▶ 11	
12	Credit carryover	▶ 12	
13	Research Credit	▶ 13	
14	Harbor Maintenance Tax Credit	▶ 14	
15	Full Employment Credit	▶ 15	
16	Brownfields Credit	▶ 16	
17	Low-Income Housing Credit	▶ 17	
18	Historic Rehabilitation Credit	▶ 18	
19a	Home Energy Efficiency Credit ▶	a + b = 19	
	b Solar Heat Credit ▶	▶ 20	
20	Total credits	21	11229
21	Excise after credits	22	456
22	Minimum excise	23	11229
23	Excise due before voluntary contribution	▶ 24	0
24	Voluntary contribution for endangered wildlife conservation	▶ 25	11229
25	Excise due plus voluntary contribution	▶ 26	
26	2004 overpayment applied to your 2005 estimated tax	▶ 27	
27	2005 Massachusetts estimated tax payments	▶ 28	65000
28	Payment made with extension	29	53771
29	Amount overpaid	▶ 30	30000
30	Amount overpaid to be credited to 2006 estimated tax	▶ 31	23207
31	Amount overpaid to be refunded	Balance due ▶ 32	
32	Balance due	a + b = 33	564
33a	M-2220 penalty ▶ 564	▶ 34	
34	Interest on unpaid balance	Total due ▶ 35	
35	Total payment due at time of filing		

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